FACT SHEET

ELAINE M. HOWLE
State Auditor

Date: **September 21, 2006** **Report:** **I2006-2**

The California State Auditor released the following report today:

Investigations of Improper Activities by State Employees
January 2006 Through June 2006

KEY FINDINGS

This report details the results of investigations completed by the Bureau of State Audits (bureau) or by other state agencies on our behalf between January 1, 2006, and June 30, 2006, that substantiated complaints. Following are examples of substantiated improper acts.

State employees and departments engaged in improper activities, including the following:

- A Department of Forestry and Fire Protection employee falsified his time sheets to receive $17,904 in wages for 672 hours not worked.
- A Department of Corrections and Rehabilitation (Corrections) employee submitted false time sheets and failed to charge leave balances for 78 hours not worked.
- A Department of Industrial Relations employee misused bereavement leave for time she missed from work while she was incarcerated.
- A Corrections employee failed to obtain a psychology license as is required for his position.

UPDATES ON PREVIOUSLY REPORTED ISSUES

- Corrections disciplined five employees for mismanaging state funds.
- The Department of Motor Vehicles issued a two-step demotion to an employee for time and attendance abuse; however, it agreed to continue to pay her salary at the rate she was paid prior to the demotion.
- Corrections reported that it established accounts receivable for 13 of 25 nurses who improperly received increases in pay associated with supervising inmates.
- Corrections required an employee to repay $5,072 in commuting and travel-related costs to which she was not entitled.
- Corrections failed to charge 4,568 hours against the union time bank, in addition to the 10,980 hours we previously reported, for a total cost to the State of $589,661.
- The Department of Health Services reported that its corrective and adverse action is still under review for improper contracting practices we reported in September 2005.

BACKGROUND

The bureau, in accordance with the California Whistleblower Protection Act (Whistleblower Act) contained in the California Government Code, beginning with Section 8547, receives and investigates complaints of improper governmental activities. The Whistleblower Act defines an “improper governmental activity” as any action by a state agency or employee during the performance of official duties that violates any state or federal law or regulation; that is economically wasteful; or that involves gross misconduct, incompetence, or inefficiency. The Whistleblower Act authorizes the state auditor to investigate allegations of improper governmental activities and to publicly report on substantiated allegations.

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California State Auditor

BUREAU OF STATE AUDITS

Investigations of Improper Activities by State Employees:

January 2006 Through June 2006

September 2006
I2006-2

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CALIFORNIA STATE AUDITOR

ELAINE M. HOWLE
STATE AUDITOR

STEVEN M. HENDRICKSON
CHIEF DEPUTY STATE AUDITOR

September 21, 2006

Investigative Report I2006-2

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

Pursuant to the California Whistleblower Protection Act, the Bureau of State Audits presents its investigative report summarizing investigations of improper governmental activity completed from January 2006 through June 2006.

Respectfully submitted,

Elaine M. Howle

ELAINE M. HOWLE
State Auditor

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SUMMARY

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State employees and departments engaged in improper activities, including the following:

- ☑ *Improperly claimed and received $17,904 in wages by submitting false time sheets.*
- ☑ *Submitted false time sheets and failed to charge leave balances for 78 hours not worked.*
- ☑ *Used bereavement leave for work missed while incarcerated.*
- ☑ *Failed to obtain licensing required for his position.*

State departments have taken the following action in response to previously reported investigations:

- ☑ *Corrections disciplined five employees for mismanaging state funds.*
- ☑ *Motor Vehicles demoted an employee but did not reduce her salary.*
- ☑ *Corrections required an employee to repay the State for $5,072 in improper travel expenses.*

continued on next page . . .

RESULTS IN BRIEF

The Bureau of State Audits (bureau), in accordance with the California Whistleblower Protection Act (Whistleblower Act) contained in the California Government Code, beginning with Section 8547, receives and investigates complaints of improper governmental activities. The Whistleblower Act defines an "improper governmental activity" as any action by a state agency or employee during the performance of official duties that violates any state or federal law or regulation; that is economically wasteful; or that involves gross misconduct, incompetence, or inefficiency. The Whistleblower Act authorizes the state auditor to investigate allegations of improper governmental activities and to publicly report on substantiated allegations. To enable state employees and the public to report these activities, the bureau maintains the toll-free Whistleblower Hotline (hotline): (800) 952-5665 or (866) 293-8729 (TTY).

If the bureau finds reasonable evidence of improper governmental activity, it confidentially reports the details to the head of the employing agency or to the appropriate appointing authority. The Whistleblower Act requires the employer or appointing authority to notify the bureau of any corrective action taken, including disciplinary action, no later than 30 days after transmittal of the confidential investigative report and monthly thereafter until the corrective action concludes.

This report details the results of the four investigations completed by the bureau or jointly with other state agencies between January 1, 2006, and June 30, 2006, that substantiated complaints. This report also summarizes actions that state entities took as a result of investigations presented here or reported previously by the bureau. Following are examples of the substantiated improper activities and actions the agencies have taken to date.

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

Between January 2004 and December 2005, an employee with the Department of Forestry and Fire Protection (Forestry) improperly claimed $17,904 in wages for 672 hours he did not work in violation of state law prohibiting individuals from intentionally submitting false claims for payment. Due in part

☑ *Although Corrections asserted that it modified its system to track union leave time, it has failed to account for 15,548 hours of union leave at a cost to the State of $589,661.*

to poor administrative controls and supervision, the employee was able to exploit Forestry's lack of oversight by submitting a majority of his false claims for approval to those who were not his direct supervisor and who had limited firsthand knowledge of his activities.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

An employee with the Department of Corrections and Rehabilitation (Corrections) submitted false claims for wages and received $1,373 for time she did not work. Because she claimed to have worked the time, 78 hours of work she missed in January 2005 and March 2005 were not charged to her leave balances. For example, the employee indicated on her January 2005 time sheet, which was approved by her direct supervisor, that she was absent from work for a total of 56 hours—the amount that should have been charged to her leave balances for that month. However, the employee submitted for payment a different time sheet approved by another employee who was not her direct supervisor and who did not have knowledge of her actual attendance. The employee indicated on this second time sheet that she missed only 24 hours in January 2005. As a result, she received $563 for 32 hours she did not work in January 2005.

DEPARTMENT OF INDUSTRIAL RELATIONS

An employee with the Department of Industrial Relations improperly claimed two days of bereavement leave by indicating that her aunt had died. However, the employee actually was incarcerated in a Los Angeles County jail during those two days.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

An employee at Corrections failed to obtain a valid license from the State Board of Psychology (psychology license) as is required for his position. The minimum qualifications for the clinical psychologist position, as established by the State Personnel Board, do not require a candidate to hold a psychology license at the time of examination or appointment; however, a license is required within two years of appointment or within three years under certain extenuating circumstances. The employee was appointed to his position in November 2002 and should have obtained his psychology license by November 2005. As of the date of this report, this employee still had not obtained a license.

PREVIOUSLY REPORTED ISSUES

In response to our report in March 2004 involving the California State Prison, Los Angeles County's failure to ensure that the State was reimbursed for $3,300 in costs the prison staff incurred while providing security for film production activities, Corrections has taken adverse action against five employees that range from rescinding a Career Executive Appointment to reducing an employee's salary by 10 percent for 12 months.

Since our report in March 2005 involving an employee abusing time and attendance, the Department of Motor Vehicles (Motor Vehicles) reported that it demoted the employee two steps. However, Motor Vehicles allowed this employee to remain at her previous salary level.

We also reported in March 2005 that Corrections improperly allowed 25 nurses to receive pay increases associated with inmate supervision. Corrections recently reported that institutions were able to provide documentation to support the pay increase for 12 of the 25 nurses. Corrections established accounts receivable for the remaining 13 nurses. However, Corrections cited current litigation that could prevent any repayments.

In September 2005, we reported that Corrections failed to account for 10,980 hours of union leave time used by three employees. Corrections recently reported that it implemented changes to its tracking of union leave time. However, State Controller's Office records indicate that Corrections failed to account for 4,568 hours for three of its employees who worked on union activities since our last report in addition to the 10,980 hours we previously reported. Overall, Corrections has failed to account for 15,548 hours employees spent on union-related activities at a cost to the State of $589,661.

In addition, we previously reported that a Corrections employee changed the location of her headquarters on her travel claims so she could receive reimbursements for travel expenses she was not entitled to receive. Corrections reported that it required the employee to repay the State for the $5,072 in commuting and travel-related costs she was not entitled to receive.

We also reported that the Department of Health Services' (Health Services) contracts and invoices related to the Genetic Disease Branch lacked specifics and cost the State almost $58,000 for services it did not receive from contract workers.

Health Services reported that its corrective and adverse action is under review and it has not yet determined which employees should be disciplined. ■

CHAPTER 1

Department of Forestry and Fire Protection: False Claims for Wages

ALLEGATION I2006-0663

We received an allegation under the California Whistleblower Protection Act that an employee of the Department of Forestry and Fire Protection (Forestry) submitted false time sheets and took time off without charging his leave balances.

RESULTS AND METHOD OF INVESTIGATION

We investigated and substantiated the allegation. Due in part to poor administrative controls and supervision, Employee A, a heavy fire equipment operator, was able to receive $17,904 in improper wages by submitting false time sheets between January 2004 and December 2005. In this lax environment, Employee A used a variety of circumstances to submit false time sheets, including submitting most of his false claims for approval to those who were not his direct supervisor.

To investigate the allegation, we reviewed state laws and regulations.[1] We also reviewed employee time sheets and compared them to daily staffing reports that Forestry uses to ensure it has sufficient staffing to respond adequately to emergencies. We interviewed Forestry staff, including Employee A and his supervisor. We then gave each person a written summary of the interview and asked him to review the statement and to make any necessary changes. We also asked each of these individuals to sign the statement under penalty of perjury to ensure accuracy. Employee A met with us and responded to our inquiries but refused to sign and return his statement. Although we report our understanding of what he told us, as witnessed by two investigators, we have less confidence in the accuracy of our understanding of his statements because of his unwillingness to confirm the statement and to certify it under penalty of perjury.

[1] For a more detailed description of the laws and regulations discussed in this chapter, see Appendix B.

BACKGROUND

Forestry's mission is to protect the people of California from fires; to respond to emergencies; and to protect and enhance forest, range, and watershed values, thus providing social, economic, and environmental benefits to citizens. Forestry's firefighters, fire engines, heavy fire equipment, and aircraft respond to an average of 5,600 fires each year. Forestry maintains daily staffing reports to ensure that it has staffing levels necessary to respond adequately to emergencies. These reports serve as a daily "roll call," showing which employees are available to respond to emergencies.

In a previous investigation, we substantiated that another heavy fire equipment operator, Employee B, received more than $16,000 in questionable or improper overtime payments.[2] We questioned 449 hours Employee B reported as coverage for Employee A because Employee A reported on his time sheet that he was present for work during those hours.[3] After we completed our fieldwork for our previous report, we asked Supervisor 1, who supervises both Employee A and Employee B, to review daily staffing reports. In response to our request, he informed us that Employee B had worked 401 of the 449 hours we questioned and that Employee A, who is the subject of our current report, may have falsified his time sheets. In the current investigation we substantiated that Employee A improperly claimed 353 of these 401 hours and we found that he improperly claimed an additional 319 hours.

EMPLOYEE A FRAUDULENTLY CLAIMED HOURS HE DID NOT WORK

Employee A received $17,904 in wages for 672 hours he did not work between January 2004 and December 2005.

Between January 2004 and December 2005, Employee A improperly claimed and received $17,904 in wages for 672 hours he did not work. He submitted nine false claims over this two-year period using a variety of circumstances, as identified in Table 1. Because these false claims were submitted on numerous occasions over a significant period of time and under a variety of different circumstances, we believe it is reasonable to infer that Employee A acted intentionally when submitting these false claims.

[2] *Investigations of Improper Activities by State Employees: July 2005 Through December 2005*, I2006-1, March 2006.

[3] In our earlier report, Employee A was identified as Employee F and Employee B was identified as Employee G.

TABLE 1

Employee A Received Thousands of Dollars for Hours Not Worked Between January 2004 and December 2005

Employee A's Improper Actions	Work Hours Employee A Claimed	Payments Received by Employee A
Claimed regular hours even though he was on vacation*	372	$ 9,884
Claimed overtime hours for providing vacation coverage for Employee B that he did not work†	108	2,906
Claimed other hours when he did not work‡	192	5,114
Totals	**672**	**$17,904**

* Employee A claimed that he worked his regular work schedule on his time sheets, but staffing reports indicate that he was not at work for these hours. Additionally, Employee B reported overtime on his time sheet with the notation that it was to cover for Employee A's vacation. Staffing reports confirm Employee B was at work for these hours.

† Employee A claimed overtime on his time sheets with the notation that it was to cover for Employee B's vacation, but staffing reports indicate that he was not at work for these hours. Additionally, Employee B reported that he worked his regular work schedule on his time sheet, and staffing reports confirm Employee B was at work for these hours.

‡ Employee A claimed that he worked his regular work schedule on his time sheets, but staffing reports indicate that he was not at work for these hours.

Supervisor 1 told us that having accurate staffing information is critical, and that he reviews daily staffing reports each morning to ensure that he has sufficient staff to respond to emergencies. We found numerous instances in which Employee A's time sheets conflicted with these reports.

For example, Employee A received $9,884 by claiming he worked 372 hours when he was not present at work. During these hours, Employee B reported working to provide vacation coverage for Employee A. When questioned, Employee B stated that he worked all hours he indicated he was covering for Employee A's vacation and that Employee A was not present for those hours. Furthermore, staffing reports confirm that Employee B was present for work and that Employee A was not.

Conversely, we identified 108 hours for which Employee A claimed he was providing vacation coverage for Employee B, even though Employee B's time sheet indicates he did not take leave and that he was at work for these hours. Staffing reports confirm that Employee B was present for work and that Employee A was not present.[4] When asked about these hours, Employee B asserted he

[4] Included in these 108 hours is a 24-hour shift Employee A claimed he worked to provide vacation coverage for Employee B, but Employee B was scheduled to work only a 12-hour shift. Thus, Employee A claimed 12 hours in excess of a legitimate claim for covering Employee B's vacation.

did not charge his vacation balances because he was at work. He added that he did not know why Employee A claimed to work these hours on his time sheets because he asserted that Employee A was not present for these hours. Employee A received $2,906 for claiming these hours.

Finally, Employee A claimed to work 192 hours for which he received $5,114, but staffing reports indicate Employee A was not present. Neither Employee A's nor Employee B's time sheets indicate that Employee A was providing vacation coverage during these hours. Employee A claimed that he worked his regular work schedule on his time sheet, but staffing reports indicate that he was not at work for these hours.

Supervisor 1 told us that an employee not listed on the staffing report did not work on that particular day unless the employee was working on a special project. However, in these instances, some other record should exist to indicate the employee's presence at work and the nature of the special project. When asked about the existence of such reports, Employee A was unable to provide documentation showing that he worked any of the 672 hours in question. Additionally, Employee A told us that in some instances he worked the hours claimed, but in other instances he could not remember whether he was at work. He acknowledged that it is possible that his time sheet was inaccurate and that he was absent for some of the 672 hours he claimed to have worked. However, when we asked Employee A to sign a written copy of his statement under penalty of perjury to ensure its accuracy, he was not willing to do so. Nonetheless, we report our understanding of what he told us, as witnessed by two investigators. Given the extent and persistence of his claims, we think it reasonable to infer that Employee A intended to present false claims for payment.

Employee A acknowledged that it is possible he was absent for some of the 672 hours he claimed to have worked.

EMPLOYEE A TOOK ADVANTAGE OF POOR SUPERVISION AND WEAK CONTROLS TO RECEIVE PAYMENTS FOR HOURS NOT WORKED

By claiming wages for hours he did not work, Employee A took advantage of Supervisor 1's lack of effective oversight and a lack of communication among the various staff with the authority to sign time sheets. We believe that a cursory review by those who approved Employee A's time sheets and a comparison of them to Employee B's time sheets and daily staffing reports would have shown that Employee A was submitting inaccurate time sheets. Although we acknowledge that efficient and effective firefighting

is one of Forestry's critical responsibilities, responding to emergency situations does not relieve Forestry of its responsibility to maintain adequate payroll controls or to keep complete and accurate attendance records, as required by state law.

The supervisor failed to use staffing reports when attempting to resolve time-keeping issues or problems.

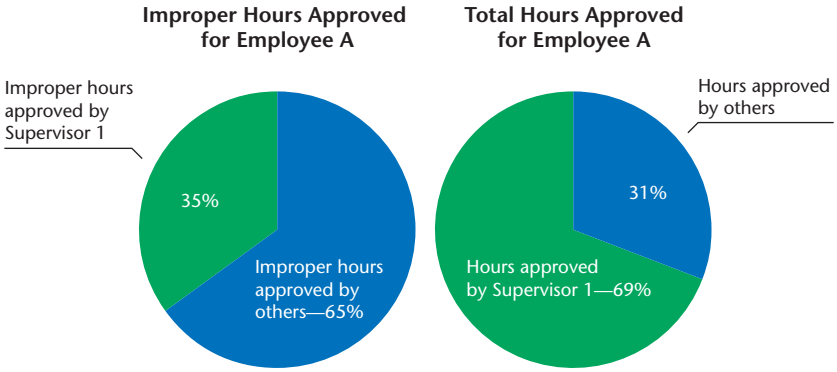
Supervisor 1 failed to take advantage of the staffing reports when attempting to resolve time-keeping issues or problems, even though he told us these reports are the most reliable and accurate records he has available to track employee attendance. Additionally, Supervisor 1 acknowledged he did not always compare time sheets for both heavy fire equipment operators when approving them for payment, even when one employee claimed he was providing vacation coverage for the other. When responding in November 2005 to the investigative findings of our previous report, Supervisor 1 also acknowledged that he had not been as diligent in verifying the authorization and hours worked for some of his employees as he should have been.

Supervisor 1 also pointed out that other supervisors may approve these time sheets. Because employees and supervisors may work in the field or at headquarters at any given time, Forestry's practice is to allow individuals other than an employee's direct supervisor to sign time sheets. Up to nine people have the authority to approve Employee A's and Employee B's time sheets. As a result, it is possible that Supervisor 1 may sign both, one, or neither of Employee A's or Employee B's time sheets for that month. Four individuals other than Supervisor 1 signed a total of eight of Employee A's time sheets for the two-year period we reviewed. We believe Employee A was able to claim wages for hours not worked without being detected because he took advantage of a lack of oversight and communication among those with the authority to sign his time sheets. Additionally, it appears Employee A may have exploited this relaxed management practice by having supervisors other than his direct supervisor sign his time sheets more often when he claimed hours he did not work.

For example, a battalion chief who rarely works in the field approved 240 of the 672 improper hours Employee A claimed. With multiple approving authorities available, Employee A had the opportunity to have his time sheets approved by someone who, at best, would have limited firsthand knowledge of the hours he claimed. As the Figure on the following page illustrates, most of the false claims Employee A submitted were signed by someone other than his direct supervisor. Although Supervisor 1 approved 69 percent of all of Employee A's time sheets, he approved only 35 percent (240 of the 672 improper hours we identified) of those involving false claims for wages.

FIGURE

Time Sheet Approval by Others Was More Pervasive When Employee A Made False Claims


Improper Hours Approved for Employee A
Improper hours approved by Supervisor 1
35%
Improper hours approved by others—65%
Total Hours Approved for Employee A
Hours approved by others
31%
Hours approved by Supervisor 1—69%

Employee A asserted that he needed to have other supervisors sign his time sheets because Supervisor 1 was unavailable at times. However, we noted many instances in which Supervisor 1 signed Employee A's and Employee B's time sheets several days after the employee signed them. In one instance, Supervisor 1 signed Employee A's time sheet more than three weeks after Employee A signed it. Therefore, it seems reasonable that even if Supervisor 1 was unavailable on a particular day, Employee A could have submitted his time sheet and Supervisor 1 could in turn verify its accuracy as soon as he returned to the office. Nevertheless, Employee A failed to do so.

AGENCY RESPONSE

In response to our prior investigation, Supervisor 1 began using staffing reports to ensure the time sheets submitted by those under his supervision, including Employee A and Employee B, accurately reflect actual hours worked. Forestry has also requested to review our work papers to pursue additional corrective action. ■

CHAPTER 2

Department of Corrections and Rehabilitation: False Claims for Wages

ALLEGATION I2005-0884

An employee with the Department of Corrections and Rehabilitation (Corrections) submitted false claims for wages.

RESULTS AND METHOD OF INVESTIGATION

We asked Corrections to assist us with the investigation, and it provided us with information that allowed us to substantiate the allegation. In order to investigate the allegation, Corrections reviewed the employee's time sheets, interviewed two individuals who signed the employee's time sheets, and interviewed the employee.

We determined that the employee improperly submitted for approval two sets of time sheets for the same time period to different supervisors, Supervisor A and Supervisor B. The employee forwarded for payment the time sheets approved by Supervisor B, even though Supervisor B was not her direct supervisor and apparently was not aware of her actual attendance. The employee submitted two inaccurate time sheets in this manner for January 2005 and March 2005. As a result of her actions, the employee submitted false claims by claiming and receiving $1,373 for 78 hours she did not work, in violation of state laws.[5] Table 2 on the following page shows the hours the employee failed to charge to her leave balances for time she was not at work.

When Corrections questioned the employee, she admitted that she had two supervisors sign her time sheets for the same period and that the hours reported on the time sheets were different from each other. Further, she admitted to manipulating both individuals who signed her time sheets and that neither supervisor was aware that she had both supervisors sign her time sheets for the same period. By intentionally submitting false time sheets for payment, this employee may have violated

[5] For a more detailed description of the laws and regulations discussed in this chapter, see Appendix B.

provisions in state law that make it a crime for an individual to intentionally submit a false claim to the State for payment. In addition, she may have violated provisions of state law that make it a crime for an employee to knowingly defraud his or her employer of $400 or more in a 12-month period, which is grand theft. The crime of submitting a false claim is punishable either as a misdemeanor or a felony, and grand theft is punishable as a felony.

TABLE 2

Total Hours Not Charged to Leave Balances for Time Not Worked

Month	Hours Charged to Leave Balances	Hours That the Employee Did Not Work	Difference in Hours Charged and Hours Missed
January 2005	24	56	32
March 2005	8	54	46
Total Hours			**78**

AGENCY RESPONSE

Corrections reported that it submitted the case to the district attorney; however, the district attorney declined to prosecute the case. Corrections has not reported the current status of its corrective or adverse action against the employee. ■

CHAPTER 3

Department of Industrial Relations: Misuse of Bereavement Leave

ALLEGATION I2006-0708

An employee with the Department of Industrial Relations (department) improperly used bereavement leave credits for time that she was incarcerated.

RESULTS AND METHOD OF INVESTIGATION

We investigated and substantiated the allegation. We reviewed inmate location records from the Los Angeles County Sheriff's Department and compared this information to the time sheet submitted by the employee. We also reviewed the State's collective bargaining agreement (contract) with the California State Employees Association (union) and relevant state laws and regulations.[6] Finally, we interviewed the employee.

The employee charged and received payment for 16 hours of bereavement leave on her official time report and cited the death of her aunt as the reason for her absence. However, public records show that the employee was incarcerated in a Los Angeles County jail for those two days. By charging bereavement leave for hours she missed due to her incarceration, the employee improperly claimed and received $282 for 16 hours she did not work, in violation of state law.

The distinction between bereavement leave and annual or vacation leave is an important one. When an employee uses annual or vacation leave, the hours are charged against credits earned by the employee. An employee is entitled to receive cash payments for any unused vacation or annual leave credits upon separation from state service. Unlike annual or vacation leave, employees do not maintain bereavement leave balances and cannot receive compensation for any unused hours. The employee's union contract allows her to request three eight-hour days of bereavement credits after the death of a family member. It further states that if requested by the employee's supervisor,

[6] For a more detailed description of the laws, regulations, and employee contract discussed in this chapter, see Appendix B.

the employee must provide information to support the request. By improperly using bereavement leave, the employee preserved leave credits for use at another time or for cash payment upon her separation from state service.

The employee admitted she was in jail for the two days for which she used bereavement leave.

When we met with the employee, she admitted that she was in jail for the two days in question and acknowledged that it was inappropriate to charge bereavement leave for those two days. Furthermore, she admitted that she knew her time sheet was not accurate when she signed and submitted it.

AGENCY RESPONSE

The department served the employee with a five-day suspension without pay. In addition, the department will set up an account receivable to recover the 16 hours of pay that the employee received as a result of improperly charging bereavement leave credits. ■

CHAPTER 4

Department of Corrections and Rehabilitation, Pleasant Valley State Prison: Unlicensed Psychologist

ALLEGATION I2006-0710

A clinical psychologist (psychologist) at Pleasant Valley State Prison (Pleasant Valley), under the Department of Corrections and Rehabilitation (Corrections), failed to obtain a valid license from the Board of Psychology (psychology license) in accordance with the minimum qualifications for his position.

RESULTS AND METHOD OF INVESTIGATION

We asked Corrections to assist us with the investigation, and it substantiated the allegation. To investigate the allegation, Corrections reviewed the State Personnel Board's (board) specifications for the clinical psychologist position and verified the psychologist's current psychology license status.

Corrections reported that Pleasant Valley appointed the psychologist to the clinical psychologist position in November 2002 under the condition that he obtain a psychology license within two years, which board specifications allow.

The board's specifications for the clinical psychologist position require a psychology license and a doctoral degree in psychology. However, individuals may be appointed to this position without a psychology license as long as the license is obtained within two years of appointment. The board specifications also allow a one-year extension to this requirement based on extenuating circumstances. As a result, the psychologist had until November 2005 to obtain the required license.

AGENCY RESPONSE

Corrections reported that as of May 11, 2006, the psychologist still had not obtained a license in accordance with the requirements of his employment and that it had terminated the psychologist effective May 2006. ■

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CHAPTER 5

Update of Previously Reported Issues

CHAPTER SUMMARY

The California Whistleblower Protection Act requires an employing agency or appropriate appointing authority to report to the Bureau of State Audits (bureau) any corrective action, including disciplinary action, that it takes in response to an investigative report no later than 30 days after the bureau issues the report. If it has not completed its corrective action within 30 days, the agency or authority must report to the bureau monthly until it completes that action. This chapter summarizes corrective actions taken on six reported cases.

DEPARTMENT OF CORRECTIONS AND REHABILITATION CASE I2003-0896

We reported the results of this investigation on March 24, 2004. The California State Prison, Los Angeles County (Los Angeles County Prison) failed to ensure that the State was reimbursed for $3,300 in costs prison staff incurred while providing security for film production activities. Employee A, who was responsible for coordinating with production companies, misappropriated $1,500 that Los Angeles County Prison received from a television show for filming at the facility by directing the money to an association used to support activities related to boosting employee morale rather than ensuring that the State was reimbursed for these costs. By directing this money to the Los Angeles County Prison employee association, Employee A violated state laws that require state money to be deposited into the State Treasury and make it a crime for any persons responsible for the receipt, safekeeping, transfer, or disbursement of public money to misappropriate state funds. Also, Los Angeles County Prison could not demonstrate that it received $1,800 to reimburse costs it incurred to accommodate filming parts of two movies at the facility. By allowing the film companies to use the prison facilities without reimbursing the prison for its costs, Los Angeles County Prison may have violated state laws prohibiting gifts of public funds for private purposes.

In addition, Los Angeles County Prison participated in an improper plan to route $4,150 in donations it received from production companies through an inmate religious account so donors could claim their donations as tax-deductible contributions, and subsequently transferred the money into an employee association account. Because the employee association lacked the authority to accept tax-deductible donations and intended to use the money for purposes other than those listed as eligible for tax-deductible contributions, Los Angeles County Prison violated federal laws governing nonprofit religious organizations.

Updated Information

Corrections reported it has taken or is taking adverse action against five of the six employees identified in our report.

The Department of Corrections and Rehabilitation (Corrections) last reported to us in August 2005 that its Office of Investigative Services completed its investigation of the issue and reported that it rescinded the Career Executive Appointment of one employee and has taken action against a second employee. However, it did not specify what action it took. It also served a third employee with a 10-day suspension and reduced a fourth employee's salary by 10 percent for 12 months. Corrections reported that it is taking action against a fifth employee and that it did not substantiate the allegations against a sixth employee.

DEPARTMENT OF MOTOR VEHICLES CASE I2004-0682

We reported the results of this investigation on March 22, 2005. A manager at the Department of Motor Vehicles (Motor Vehicles) engaged in time and attendance abuse and failed to perform her duties. Motor Vehicles found that 70 percent of the staff members it interviewed were experiencing workplace tensions. The primary source of this tension was the dominant perception that the manager was absent frequently and often inaccessible to the office staff when she was present. At least one employee, who was an attendance clerk in the manager's office for two years, reported that the manager was absent from work for one to five hours almost daily. Motor Vehicles also reported that the manager failed to perform her duty to halt inappropriate behavior exhibited by staff under her supervision. Specifically, Motor Vehicles found that the manager was aware of inappropriate behavior by her staff and did not take action to stop the behavior, thereby failing to follow Equal Employment Opportunity policies and training.

Motor Vehicles reported that it took adverse action against the manager in the form of a two-step demotion. In addition, Motor Vehicles stated that the demotion should place the manager in a role in which her day-to-day activities are supervised closely.

Motor Vehicles served the employee with a two-step demotion; however, it did not reduce her salary.

Updated Information

Although it demoted the employee from a Manager III to a Manager I position, Motor Vehicles agreed to pay the employee her monthly salary at the Manager III rate for 17 months.

DEPARTMENT OF CORRECTIONS AND REHABILITATION CASE I2003-0834

We reported the results of this investigation on March 22, 2005. Corrections improperly granted registered nurses (nurses) an increase in pay associated with inmate supervision that they were not entitled to receive. Specifically, 25 nurses at four institutions received increased pay associated with inmate supervision even though they did not supervise inmates for the minimum number of hours required or they lacked sufficient documentation to support their eligibility to receive the increased pay. Between July 1, 2001, and June 30, 2003, Corrections paid these nurses $238,184 more than they were entitled to receive.

Corrections reported that it could not provide documentation to support the pay increase it authorized for 17 of the 25 nurses because the institutions that employed these nurses either had no inmate supervisory hours to report, did not require nurses to track these hours, lacked sufficient documentation to support the hours claimed, or had destroyed all time-keeping records relating to inmate supervision. Although Corrections provided figures showing that the remaining eight nurses did supervise inmates, in most instances these nurses failed to incur the number of supervisory hours required to merit the pay increase. For example, one nurse received approximately $7,983 due to the pay increase over a 16-month period. However, the nurse met the inmate supervisory threshold of 173 hours per month on only two occasions, resulting in an overpayment of $7,030. We found that $238,184 of the $255,509 in inmate supervisory pay the 25 nurses received was not justified.

Updated Information

Corrections reported that two institutions provided documentation to Corrections that demonstrated the payments for 10 of the 25 nurses we identified were appropriate, but Corrections has not provided this documentation to our office for review.

Corrections further reported that one institution was unable to support the increased pay and established an account receivable to recover the overpayment for each of the three nurses we identified for this institution. Finally, Corrections reported that another institution was able to provide sufficient support for increased pay for two of the nurses we identified, but Corrections has not provided this documentation to our office for review. It also established accounts receivable for 10 of the nurses to recover the overpayment.

Finally, Corrections reported that the union representing the nurses recently filed a lawsuit to stop the collection of the overpayments, which could delay or stop further collection of the remaining overpayments.

DEPARTMENT OF CORRECTIONS AND REHABILITATION CASE I2005-0643

We reported the results of this investigation on September 21, 2005. Following the direction of her supervisor, a Corrections employee changed the location of her headquarters on her travel claims so she could receive reimbursements for travel expenses she was not entitled to receive. The supervisor lacked the authority to make such decisions, and we found no documentation in the employee's personnel file approving the change. As a result, the employee violated state travel regulations and received $5,072 in commute and other travel-related costs that she was not entitled to receive.

Updated Information

Corrections required the employee to reimburse the State for $5,072 in travel-related costs to which she was not entitled.

Corrections required the employee to reimburse the State for the $5,072 in commuting and travel-related costs to which the employee was not entitled. Because the employee altered the location of her headquarters on her travel claims at the direction of her supervisor, Corrections did not pursue disciplinary action against her. Corrections also required the supervisor to receive training on state regulations and collective bargaining agreements governing employee travel expenses.

DEPARTMENT OF CORRECTIONS AND REHABILITATION CASES I2004-0649, I2004-0681, I2004-0789

We reported the results of this investigation on September 21, 2005. Corrections did not track the total number of hours available in a rank-and-file release time bank (time bank) composed of leave hours that union members had donated. As a result, Corrections released employees without knowing whether the time bank had sufficient balances to cover these requests. In addition, the reports that Corrections used to track time-bank use and donations did not capture a significant amount of union leave used. Corrections charged nearly 56,000 hours against the time bank for hours that members of the California Correctional Peace Officers Association spent conducting union-related activities between May 2003 and April 2005. However, we identified 10,980 additional hours members used that Corrections failed to charge against the time bank for Representatives A, B, and C. Although Corrections asserted that it had reconciled its time-bank balances, records from the State Controller's Office did not indicate that the 10,980 hours were charged to the time bank through the State's leave-accounting system. Thus, it appears that these hours were paid through regular payroll at a cost to the State of $395,256.

Updated Information

Corrections stated that it could not independently substantiate the 10,980 hours we reported as hours that Representatives A, B, and C did not charge to the union time bank between May 2003 and April 2005. Corrections believes that the State Controller's Office and the Corrections time-accounting system could not provide an accurate way to distinguish the type of union leave used. However, we substantiated the allegation when we reported the issue and Corrections has not requested to review our work papers. Further, it is not relevant to be able to distinguish the type of union leave used since our review of all available union leave categories at the State Controller's Office showed that none of the 10,980 hours were charged to any union leave categories.

Corrections has failed to charge 4,568 hours against the union time bank in addition to the 10,980 hours we previously identified, for a total cost to the State of $589,661.

Corrections reported that it has modified and implemented several changes to its tracking system that will allow it to track, report, and seek payment for union leave time. However, records from the State Controller's Office indicate that Corrections is still not charging the union time bank for the hours Representatives A and B are spending working on union activities. As a result, we have little confidence in Corrections' recent changes to its union leave tracking system. Table 3 on the following page shows the hours Corrections has failed to charge against the union time bank

for Representatives A, B, and C. In addition to the 10,980 hours we previously reported, Corrections has failed to charge an additional 4,568 hours against the union time bank for hours Representatives A, B, and C spent working on union activities from May 2005 through June 2006. Overall, from May 2003 through June 2006, Corrections has failed to account for 15,548 hours of union leave at a cost to the State of $589,661.

TABLE 3

Total Hours of Union Leave Time That Corrections Failed to Charge for Representatives A, B, and C From May 2003 Through June 2006

	Representative A	Representative B	Representative C	Totals
Hours previously identified				
May 2003 through April 2005	3,524	3,656	3,800	**10,980**
Additional union leave hours not charged				
May 2005 through June 2006	2,032	2,328	208*	**4,568**
Totals	**5,556**	**5,984**	**4,008**	**15,548**

* The State Controller's Office records indicate that Corrections has fully accounted for the time Representative C spent conducting union activities from January 2006 through June 2006.

DEPARTMENT OF HEALTH SERVICES CASE I2004-0930

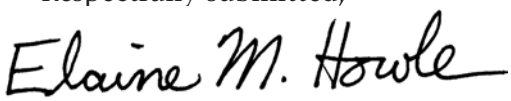
We reported the results of this investigation on September 21, 2005. We found that contracts and related invoices of the Genetic Disease Branch (branch) of the Department of Health Services (Health Services) lacked specifics, leading to questionable and improper payments for holiday pay and equipment. For example, the branch improperly authorized payment for 13 holidays to a contractor's workers from December 2003 through November 2004, costing the State $57,788 for services it did not receive. Also, the branch circumvented procurement procedures by purchasing computers, fax machines, and printers totaling $40,698 under contracts that were for services, not equipment.

Updated Information

Health Services reported that its corrective and adverse action is still under review.

We conducted this review under the authority vested in the California State Auditor by Section 8547 et seq. of the California Government Code and applicable investigative and auditing standards. We limited our review to those areas specified in the results and method of investigation sections of this report.

Respectfully submitted,



ELAINE M. HOWLE
State Auditor

Date: September 21, 2006

Investigative Staff: Russ Hayden, Manager, CGFM
Siu-Henh Ung
Michael A. Urso, CFE
Matthew G. See

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APPENDIX A

Activity Report

The Bureau of State Audits (bureau), headed by the state auditor, has identified improper governmental activities totaling $23.8 million since July 1993, when it reactivated the Whistleblower Hotline (hotline), formerly administered by the Office of the Auditor General. These improper activities include theft of state property, false claims, conflicts of interest, and personal use of state resources. The state auditor's investigations also have substantiated improper activities that cannot be quantified in dollars but that have had a negative social impact. Examples include violations of fiduciary trust, failure to perform mandated duties, and abuse of authority.

Although the bureau investigates improper governmental activities, it does not have enforcement powers. When it substantiates allegations, the bureau reports the details to the head of the state entity or to the appointing authority responsible for taking corrective action. The California Whistleblower Protection Act (Whistleblower Act) also empowers the state auditor to report these activities to other authorities, such as law enforcement agencies or other entities with jurisdiction over the activities, when the state auditor deems it appropriate.

The individual chapters describe the corrective actions that agencies took on cases in this report. Table A on the following page summarizes all the corrective actions that agencies have taken between the time the bureau reactivated the hotline in 1993 until June 2002. Table A also summarizes departments' corrective actions since July 2002, when the law changed to require all state departments to annually notify their employees about the bureau's hotline. In addition, dozens of agencies have modified or reiterated their policies and procedures to prevent future improper activities.

TABLE A

Corrective Actions
July 1993 Through June 2006

Type of Corrective Action	Number of Incidents July 1993 Through June 2002	Number of Incidents July 2002 Through June 2006	Totals
Referrals for criminal prosecution	73	5	**78**
Convictions	7	2	**9**
Job terminations	46	26	**72**
Demotions	8	5	**13**
Pay reductions	10	39	**49**
Suspensions without pay	12	7	**19**
Reprimands	135	124	**259**

New Cases Opened Between January 2006 and June 2006

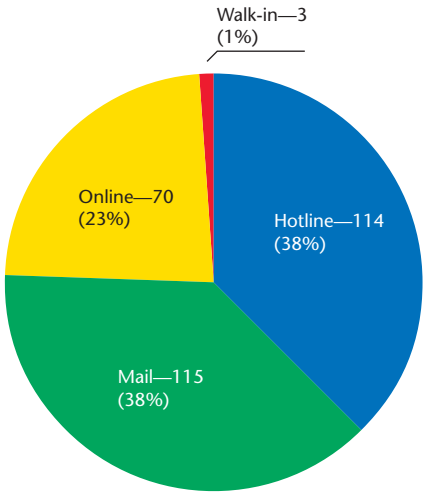
From January 1, 2006, through June 30, 2006, the bureau opened 302 new cases.

The bureau receives allegations of improper governmental activities in several ways. Callers to the hotline at (800) 952-5665 reported 114 of the new cases in this time period.[7] The bureau also opened 115 new cases based on complaints it received in the mail, 70 through its Web site, and three based on complaints from individuals who visited the office. Figure A.1 shows the sources of all the cases opened from January 2006 through June 2006.

[7] In total, the bureau received 2,201 calls on the hotline from January 2006 through June 2006.

FIGURE A.1

Sources of 302 New Cases Opened January 2006 Through June 2006



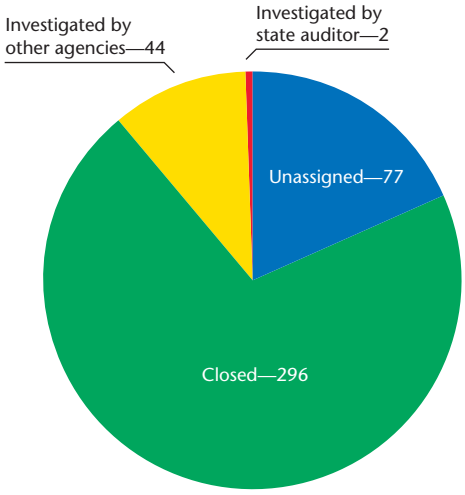
In addition to the 302 new cases opened during this six-month period, 100 previous cases awaited review or assignment as of December 30, 2005; another 17 were still under investigation by this office or by other state agencies or were awaiting completion of corrective action. Consequently, 419 cases required some review during this period.

After examining the information gathered from complainants and preliminary reviews, the bureau concluded that 296 cases did not warrant complete investigation because of lack of evidence.

The Whistleblower Act specifies that the state auditor can request the assistance of any state entity or employee in conducting an investigation. From January 1, 2006, through June 30, 2006, state agencies assisted the bureau in investigating 44 cases and substantiated allegations on one of the five cases completed during the period. In addition, the bureau independently investigated two cases and substantiated allegations on both of them. Figure A.2 on the following page shows the disposition of the 419 cases the bureau worked on from January 2006 through June 2006. As of June 30, 2006, the bureau had 77 cases awaiting review or assignment.

FIGURE A.2

Disposition of 419 Cases
January 2006 Through June 2006



APPENDIX B

State Laws, Regulations, and Policies

This appendix provides more detailed descriptions of the state laws, regulations, and policies that govern employee conduct and prohibit the types of improper governmental activities described in this report.

CAUSES FOR DISCIPLINING STATE EMPLOYEES

The California Government Code, Section 19572, lists the various causes for disciplining state civil service employees. These causes include incompetence, inefficiency, inexcusable absence without leave or inexcusable neglect of duty, insubordination, dishonesty, misuse of state property, and other failure of good behavior, either during or outside of duty hours, that is of such a nature that it causes discredit to the appointing authority or the person's employment.

CRITERIA COVERING GRAND THEFT

Chapter 1 reports on grand theft.

The California Penal Code, Section 487, states that any employee who knowingly, by false representation, defrauds his employer of money in aggregate of $400 or more in any period of 12 consecutive months is guilty of grand theft.

The California Penal Code, Section 489(b), provides that grand theft is punishable as a felony, for a term of 16 months, two years, or three years in state prison, or as a misdemeanor, by imprisonment in a county jail for a term not exceeding one year. Additionally, a fine can be imposed of up to $1,000 for a misdemeanor conviction or up to $10,000 for a felony conviction.

CRITERIA COVERING FALSE CLAIMS AND INACCURATE TIME REPORTING

Chapters 1, 2, and 3 report on false claims.

The California Penal Code, Section 72, states that every person who, with intent to defraud, presents for payment any false or fraudulent claim, bill, account, voucher, or writing, is punishable as a misdemeanor by imprisonment in the county jail for a period

not exceeding one year, by a fine not exceeding $1,000, or by imprisonment and a fine, or as a felony by imprisonment in state prison for a term of 16 months, two years, or three years, by a fine not exceeding $10,000, or by both imprisonment and a fine.

Chapters 1, 2, and 3 report on inaccurate time reporting.

The California Code of Regulations, Title 2, Section 599.665, requires that each appointing power keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction. Such records shall be kept in the form and manner prescribed by the Department of Finance in connection with its powers to devise, install, and supervise a modern and complete accounting system for state agencies.

CRITERIA GOVERNING STATE MANAGERS' RESPONSIBILITIES

Chapter 1 reports on weaknesses in management controls.

The Financial Integrity and State Manager's Accountability Act of 1983 (integrity and accountability act) contained in the California Government Code, beginning with Section 13400, requires each state agency to establish and maintain a system or systems of internal accounting and administrative controls. Internal controls are necessary to provide public accountability and are designed to minimize fraud, abuse, and waste of government funds. In addition, by maintaining these controls, agencies gain reasonable assurance that the measures they have adopted protect state assets, provide reliable accounting data, promote operational efficiency, and encourage adherence to managerial policies. The integrity and accountability act also states that the elements of a satisfactory system of internal accounting and administrative controls shall include a system of authorization and record-keeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures. Further, the integrity and accountability act requires that, when detected, weaknesses must be corrected promptly.

OVERPAYMENT RECOUPED

Chapters 1 and 2 report on overpayments that can be recovered by the State.

The California Government Code, Section 19838, states that overpayments made by the State to an employee shall be recouped provided that action taken by the State to recover the overpayment is initiated within three years from the date of overpayment.

MINIMUM QUALIFICATIONS

Chapter 4 reports on the maximum time period allowed for a clinical psychologist to obtain a psychology license.

The State Personnel Board's minimum qualifications for the clinical psychologist position require possession of a valid license as a psychologist issued by the California Board of Psychology and possession of an earned doctoral degree in psychology from an educational institution meeting the criteria of Section 2914 of the Medical Board of California's Business and Professions Code. Individuals who do not qualify for licensure by the California Board of Psychology or who are in the process of securing this license will be admitted into the examination and may be appointed, but must secure a valid license within two years of an appointment; however, an individual shall be employed only to the extent necessary to be eligible for licensure plus one year. An extension of the waiver may be granted for an additional year based on extenuating circumstances, as provided by Section 1277(e) of the Health and Safety Code or Section 5600.2(f) of the Welfare and Institutions Code, whichever is applicable.

The California Health and Safety Code, Section 1277(e), provides that a request for an extension of a waiver may be granted based on extenuating circumstances, pursuant to subdivisions (b) and (d), if any of these circumstances exist:

(1) The person requesting the extension has experienced a recent catastrophic event, which may impair the person's ability to qualify for and pass the license examination. Those events may include, but are not limited to, significant hardship caused by natural disaster, serious and prolonged illness of the person, serious and prolonged illness or death of a child, spouse, or parent, or other stressful circumstances.

(2) The person requesting the extension has difficulty speaking or writing the English language, or other cultural and ethnic factors exist that substantially impair the person's ability to qualify for and pass the license examination.

(3) The person requesting the extension has experienced other personal hardship, which the department, in its discretion, determines to warrant the extension.

BEREAVEMENT LEAVE

Chapter 3 reports on the misuse of bereavement leave.

Section 8.3 of the collective bargaining agreement between the State and California State Employees Association, Bargaining Unit 4 states that a department head or designee shall authorize bereavement leave with pay for a permanent full-time or probationary full-time employee due to death of his or her aunt, uncle, niece, nephew, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, brother-in-law, or immediate family member or domestic partner. Such bereavement leave shall be authorized for up to three eight-hour days in a fiscal year. The employee shall give notice to his or her immediate supervisor as soon as possible and shall, if requested by the employee's supervisor, provide substantiation to support the request.

APPENDIX C

State and Federal Referral Numbers

The Bureau of State Audits (bureau), in accordance with the California Whistleblower Protection Act contained in the California Government Code, Section 8547 et seq., receives and investigates complaints of improper governmental activities by state departments and state employees. To enable state employees and the general public to report these activities, the bureau maintains a toll-free whistleblower hotline at (800) 952-5665 or (866) 293-8727 (TTY). Between January and June 2006, we received 2,201 calls, of which 1,155 were outside of the bureau's jurisdiction. In these instances, the bureau refers callers to various local, state, and federal entities.

Listed below are the telephone numbers for state and federal entities that the bureau generally refers callers to, as well as the issues that these entities can address.[8] In addition, the Department of Technology Services has state information officers at (800) 807-6755 who can direct callers to any state department. The federal government also has a federal information number that can direct callers to, and provide information about, all federal agencies at (800) 688-9889.

Telephone Numbers for State Departments

Aging, Department of	(916) 419-7500	• Public information
	(800) 231-4024	• Long-Term Care Ombudsman—nursing homes, drug treatment facilities, mental facilities, emergency referrals
Air Resources Board	(800) 952-5588	• Air pollution violations
	(800) 242-4450	• Helpline
	(800) 363-7664	• Vehicle emissions
Attorney General, Office of	(800) 952-5225	• Public inquiries and consumer complaints, private sector retaliation, business opportunity scams
	(916) 445-2021	• Registry of Charitable Trusts (nonprofit organizations)
	(800) 722-0432	• Bureau of Medi-Cal Fraud and Elder Abuse
	(213) 897-8065	• Travel fraud
California State University	(562) 951-4425	Complaints regarding university employees

continued on next page

[8] In addition to referring callers to state and federal entities, the bureau also refers callers to local entities such as local school boards, county controllers, and private businesses such as the Better Business Bureau.

Telephone Numbers for State Departments

Chancellor's Office, Community Colleges	(916) 445-8752	Questions and/or issues related to community colleges
Child Support Services, Department of	(866) 249-0773	Questions about individual child support services cases
Consumer Affairs, Department of	(800) 952-5210	• The Consumer Information Center takes complaints about: accountants, appliances, athletics, automobile repairs, barbers, beauty salons, cemeteries, contractors, cosmetologists, dentists & dental hygienists, engineers, funeral directors and embalmers, geologists and geophysicists, hearing aid dispensers, home furnishings, home improvements, landscape architects, marriage/family counselors, nurses, optometrists, pest control operators, pharmacists, private investigators and private patrol operators, repossessors, veterinarians, and other consumer issues.
	(800) 321-2752	• Contractors' State License Board
	(800) 633-2322	• Medical Board—complaints about physicians, questions about licensing or disciplinary actions
	(866) 785-9663	• Office of Privacy Protection—identity theft
Controller, Office of the State	(916) 445-2636	• Public information
	(800) 952-5661	• Senior citizen's property tax postponement
	(800) 992-4647	• Unclaimed property
Corporations, Department of	(800) 347-6995	• Escrow and title companies, finance lenders, mortgage bankers
	(866) 275-2677	• Investment counselors
Corrections and Rehabilitation, Department of	(877) 424-3577	• Office of Internal Affairs—to report misconduct by employees
	(916) 445-6713	• Inmate Locator
Emergency Services, Office of	(800) 852-7550	Hazardous materials spills
Employment Development Department	(916) 653-0707	• Public information
	(800) 229-6297	• Unemployment and disability insurance fraud
	(800) 528-1783	• Tax or payroll fraud
Energy Commission	(800) 822-6228	Public information
Equalization, Board of	(800) 400-7115	• Customer & Taxpayer Information Center
	(888) 334-3300	• Tax Evasion Hotline
	(916) 324-1874	• To report improper conduct by department employees
Fair Employment and Housing, Department of		Racial or sexual discrimination in:
	(800) 884-1684	• Employment
	(800) 233-3212	• Housing
Fair Political Practices Commission	(916) 322-5660	• Public information
	(800) 561-1861	• Violations of ethics and campaign laws
Finance, Department of	(916) 445-3878	• Public information
	(916) 322-2263	• Statistical research—economics, finance, transportation, housing
	(916) 323-4086	• Demographics
Financial Institutions, Department of	(800) 622-0620	State-licensed banks, savings and loans, foreign banks, traveler's checks, industrial loans, credit unions
Fish and Game, Department of	(800) 952-5400	Poaching
Food and Agriculture, Department of	(916) 229-3000	Weights and measures enforcement

Telephone Numbers for State Departments

Franchise Tax Board	(800) 852-2753	• Public information
	(800) 338-0505	• Fast Tax (refunds and order forms)
	(800) 540-3453	• Tax fraud
Governor's Office	(916) 445-2841	Main number
Health Services, Department of	(916) 445-4171	• Hospital licensing
	(800) 554-0354	• Nursing home complaints
	(800) 822-6222	• Medi-Cal fraud
	(916) 445-2684	• Office of Vital Records—birth and death certificates
Housing and Community Development, Department of	(800) 952-5275	• Mobile home complaints
	(800) 952-8356	• Mobile home registration and title information
Industrial Relations, Department of	(415) 703-4810	• Private sector complaints involving discrimination, wages. overtime, and other workplace issues (Labor Commissioner)
	(800) 321-6742	• To report accidents, unsafe working conditions, or safety and health violations (OSHA)
Inspector General, Office of	(916) 830-3600	• Main number
	(800) 700-5952	• To report improper activities within the Department of Corrections and Rehabilitation
Insurance, Department of	(800) 927-4357	Consumer complaints
Judicial Council	(415) 865-4200	• Courts
	(866) 865-6400	• Illegal or improper acts by judicial branch employees
Judicial Performance, Commission on	(415) 557-1200	Judicial misconduct and discipline
Lottery Commission	(800) 568-8379	• Public information
	(888) 277-3115	• Problem Gambling Help Line
Managed Health Care, Department of	(888) 466-2219	Health Maintenance Organization (HMO) complaints
Mental Health, Department of	(800) 896-4042	Ombudsman
Motor Vehicles, Department of	(800) 777-0133	• Public information
	(916) 657-8377	• Complaints about automobile dealers
Parks and Recreation, Department of	(800) 444-7275	Camping reservations in state parks
Personnel Administration, Department of	(916) 324-0455	Information about state employees' wages and benefits
Personnel Board, State	(916) 653-1705	• Public information
	(916) 653-1403	• Whistleblower retaliation complaints
Public Employees' Retirement System	(916) 795-3097	• Public information
	(888) 225-7377	• Benefits for retired members
Public Utilities Commission	(800) 848-5580	• Public information
	(800) 649-7570	• Complaints about telephone, and utility bills or service
Real Estate, Department of	(916) 227-0864	• Complaints regarding real estate licensees
	(916) 227-0931	• Real estate licensing information
Rehabilitation, Department of	(800) 952-5544	• Client assistance
	(916) 263-8981	• Public affairs

continued on next page

Telephone Numbers for State Departments

Secretary of State	(916) 657-5448	• Public information
	(916) 653-2318	• Corporate filings
	(916) 653-3595	• Notary public section
Social Services, Department of	(800) 952-5253	• Public inquiry and client assistance
	(800) 344-8477	• Welfare fraud hotline
State Compensation Insurance Fund*	(888) 786-7372	Worker's Compensation Fraud Hotline
Technology Services, Department of	(800) 807-6755	State information officers provide information about state agencies, departments, and employees
University of California	(800) 403-4744	University of California whistleblower hotline
Veterans Affairs, Department of	(800) 952-5626	CalVet loans, Veterans Services
Victim Compensation and Government Claims Board	(800) 777-9229	• To file a claim as a victim of a crime
	(800) 955-0045	• To file a claim against the government

Telephone Numbers for Federal Departments

Agriculture, Department of	(800) 424-9121	Temporary Assistance to Needy Families (TANF) and food stamp fraud
Central Intelligence Agency	(703) 482-0623	Public Affairs Office
Commerce, Department of (Office of the Inspector General)	(800) 424-5197	To report fraud, waste, abuse, or other violations of law
Defense, Department of (Office of the Inspector General)	(800) 424-9098	To report violations of ethical standards and/or the law, including but not limited to fraud, waste, abuse of authority, potential leaks of classified information, or potential acts of terrorism.
Environmental Protection Agency	(888) 546-8740	• To report fraud, waste, and abuse
	(800) 368-5888	• Ombudsman for small business disputes
Federal Bureau of Investigation	(202) 324-3444	• Washington, D.C. field office
	(916) 481-9110	• Sacramento field office
Federal Communications Commission (Office of the Inspector General)	(888) 863-2244	To report fraud, waste, and abuse
Federal Deposit Insurance Corporation	(877) 275-3342	FDIC banks and credit laws
Federal Election Commission	(800) 424-9530	Campaign financing
Federal Emergency Management Agency	(800) 462-9029	• Disaster assistance
	(800) 638-6620	• Flood insurance information
Federal Trade Commission	(877) 382-4357	• Charity solicitations, collection agencies, Internet sales, interstate consumer issues, telemarketing
	(877) 438-4338	• Identity theft
	(877) 987-3728	• Consumer Advise Center
Government Accountability Office	(800) 424-5454	Fraud, waste, and abuse involving federal employees or contractors

* The State Compensation Insurance Fund is a state-operated entity that exists solely to provide workers' compensation insurance on a nonprofit basis. However, it is not a state department.

Telephone Numbers for Federal Departments

Health and Human Services, Department of	(800) 633-4227	• For Medicare information or Medicare fraud
	(800) 786-2929	• Runaways can call this number to leave messages for parents
Homeland Security Headquarters	(202) 282-8000	Main number
Internal Revenue Service	(800) 829-1040	• Public information
	(800) 829-0433	• Tax fraud hotline
	(800) 829-3676	• To order forms and publications
Labor, Department of (Employee Benefits Security Administration)		Information on retirement plans
	(415) 975-4600	• San Francisco regional office
	(626) 229-1000	• Los Angeles regional office
National Aeronautics and Space Administration (NASA) – (Office of Inspector General)	(800) 424-9183	To report waste, fraud, and abuse by NASA employees and contractors
National Fraud Information Center	(800) 876-7060	Postal and telemarketing fraud
National White Collar Crime Center	(800) 221-4424	For information and research on preventing economic and cyber crime
Securities and Exchange Commission	(800) 732-0330	• Investor education and assistance
	(800) 289-9999	• Investor complaint center
Social Security Administration	(800) 269-0271	Identity theft and other fraud
Transportation, Department of	(888) 327-4236	• Vehicle safety hotline
	(800) 424-8802	• National Response Center to report oil and chemical spills
	(800) 424-9071	• Office of the Inspector General to report waste, fraud, and abuse
Treasury, Department of	(800) 842-6929	The Office of Thrift Supervision regulates all federally chartered and many state-chartered thrift institutions, including savings banks and savings and loan associations

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cc: Members of the Legislature
Office of the Lieutenant Governor
Milton Marks Commission on California State Government Organization and Economy
Department of Finance
Attorney General
State Controller
State Treasurer
Legislative Analyst
Senate Office of Research
California Research Bureau
Capitol Press